

F1- ACCOUNTANT IN BUSINESS

MOCK EXAM

Time allowed: 2 hours

ALL FIFTY
questions are compulsory
and **MUST** be attempted

ACCA

Paper F1 Accountant In Business

Name: _____

Address: _____

Country: _____

GTG Student No _____

Company _____

Exam date _____

Received _____

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Marker _____

TOTAL SCORE _____

- **IMPORTANT: DETACH THIS SHEET AND AFFIX IT TO YOUR SCRIPT**
- **YOU ARE ADVISED TO PHOTOCOPY YOUR SCRIPT BEFORE SENDING THE ORIGINAL IN FOR MARKING**

1. According to Anthony's Hierarchy, tactical information would be used by which group of an organisation's employees?
- (a) Executives
 - (b) Management
 - (c) Operational staff
- (2 marks)
2. One of the main advantages to be gained from incorporating a business is that:
- (a) The owners of the business then have limited liability
 - (b) The profits that the business makes are not subject to any taxes
 - (c) Raising financing becomes much easier
 - (d) Marketing the business's products or services becomes easier
- (2 marks)
3. In which of the following situations would it be easiest for a manager to have a wide span of control?
- (a) A partner in a law firm that handles several different types of litigations
 - (b) A software architect in charge of creating a customised risk management program
 - (c) An editor of a publishing house that produces business and accounting textbooks
 - (d) A sales manager with an organisation that manufactures kitchen appliances
- (2 marks)
4. Gerry learnt about his promotion from a colleague before it was officially communicated to him by his boss. This is evidence of the existence of a "grapevine" in the organisation.
- (a) True
 - (b) False
- (1 mark)
5. According to E. Shein the main determinant of an organisation's culture will be:
- (a) The type of products and services it offers
 - (b) The type of customers it has
 - (c) The way its employees learn and work together
 - (d) The level of its profitability
- (2 marks)
6. A supplier to an organisation is what type of stakeholder?
- (a) Internal
 - (b) Connected
 - (c) External
- (2 marks)
7. A Decision Support System would be used by which level of an organisation?
- (a) Strategic
 - (b) Managerial
 - (c) Operational
 - (d) Functional
- (2 marks)
8. Which of the below is an external source of information for an organisation?
- (a) The CEO
 - (b) The auditor
 - (c) The marketing manager
 - (d) The accountant
- (2 marks)

9. What is the main aim of a public policy committee?
- (a) To review and analyse all emerging social and political issues
 - (b) To review and analyse public perceptions on the organisation and its products/services
 - (c) To ensure that the organisation is in compliance with all laws and regulations
 - (d) To ensure that the organisation maintains good public relations with its consumers and society at large
- (2 marks)
10. Business ethics involves doing what is legal and what is profitable for the organisation.
- (a) True
 - (b) False
- (2 marks)
11. Corporate governance represents the set of policies and procedures that determine how an organisation is:
- (a) Financed and functions
 - (b) Directed and controlled
 - (c) Structured and organised
 - (d) Audited
- (2 marks)
12. The increasing tendency of consumers to buy products only from organisations with a reputation for being ethical is an example of what kind of environmental factor?
- (a) Political
 - (b) Technological
 - (c) Social
 - (d) Economic
- (1 mark)
13. The law in regards to data protection requires organisations to:
- (a) Keep official and personal information on employees private and confidential
 - (b) Keep personal information on employees private and confidential
 - (c) Keep official information on employees private and confidential
- (2 marks)
14. An organisation has placed an advertisement for a job vacancy citing candidates must have short hair. This is an example of:
- (a) Direct discrimination
 - (b) Indirect discrimination
 - (c) Reverse discrimination
 - (d) Implied discrimination
- (2 marks)
15. Which of the below two factors share an inversely proportional relationship:
- (a) The unemployment rate and the inflation rate
 - (b) The unemployment rate and the economic growth rate
 - (c) The inflation rate and the economic growth rate
- (2 marks)
16. John is an automotive technician. Unfortunately the only car manufacturer in his vicinity has closed down and John is now unable to find another job. What type of unemployment is he facing?
- (a) Structural unemployment
 - (b) Cyclical unemployment
 - (c) Frictional unemployment
 - (d) Demand-deficient unemployment
- (2 marks)

17. The total demand for goods and services in an economy is made up of: Consumption + Investment + Government expenditure + _____.
- (a) Savings
 - (b) Taxes
 - (c) Balance of payments surplus
 - (d) Balance of payments deficit
- (1 mark)
18. A period of deflation would benefit which group the most:
- (a) People who have borrowed money
 - (b) People who have lent money
 - (c) Organisations that manufacture goods
 - (d) Organisations that provide services
- (2 marks)
19. Mandatory maternity leave legislations in many European countries are most likely in response to:
- (a) Lobbying from various NGOs
 - (b) The ageing population trend
 - (c) The increasing birth rate
 - (d) The increasing mortality rate
- (2 marks)
20. An organisation that has its payroll function performed by an outside organisation is:
- (a) Downsizing
 - (b) Rightsizing
 - (c) Dealyering
 - (d) Outsourcing
- (2 marks)
21. Which of the following factors most accounts for the competitiveness of the automobile industry?
- (a) Threat of new entrants
 - (b) Bargaining power of buyers
 - (c) Bargaining power of suppliers
 - (d) Rivalry between existing firms
- (2 marks)
22. Ensuring that a budget is developed and maintained for the entire organisation is the responsibility of the:
- (a) External auditor
 - (b) Internal auditor
 - (c) Accountant
 - (d) Financial controller
- (1 mark)
23. Which financial statement is an organisation required to submit to the government?
- (a) Its annual return
 - (b) Its income statement
 - (c) Its balance sheet
 - (d) Its statement of cash flows
- (2 marks)
24. A software that stores information in a structured manner is called a(n):
- (a) Database
 - (b) Spreadsheet
 - (c) Word processor
 - (d) Organiser
- (2 marks)

25. Following up for payments from customers who have been granted credit is typically a function of which department?
- (a) Accounting
 - (b) Finance
 - (c) Marketing
 - (d) Operations
- (1 mark)
26. An organisation purchases a parcel of land. In accounting terminology this would be called a(n):
- (a) Event
 - (b) Transaction
 - (c) Investment
 - (d) Occurrence
- (2 marks)
27. The format and procedure of _____ accounting is set by various legal and regulatory bodies.
- (a) Financial
 - (b) Management
 - (c) Operational
- (2 marks)
28. A listing of an organisation's assets, liabilities and equity would appear in which statement?
- (a) Statement of retained earnings
 - (b) Income statement
 - (c) Statement of cash flows
 - (d) Balance sheet
- (2 marks)
29. Stating that the financial statements of the organisation are true and fair is the responsibility of the:
- (a) External auditor
 - (b) Internal auditor
 - (c) Accountant
 - (d) Financial controller
- (2 marks)
30. Internal auditors normally report directly to the Board of Directors so that they can be free of interference from senior managers.
- (a) True
 - (b) False
- (1 mark)
31. "Sampling" is a technique used by an:
- (a) Internal auditor
 - (b) External auditor
 - (c) Internal and external auditor
- (2 marks)
32. Which of the below is not one of the reasons why organisations implement a system of internal financial controls?
- (a) To help ensure the reliability of the financial reporting
 - (b) To help ensure that all assets and records are properly safeguarded
 - (c) To prevent or help with the early detection and correction of frauds or errors
 - (d) To help ensure that a sufficient level of working capital is maintained
- (2 marks)

33. Which of the following situation refers to the concept of “teeming and lading”?
- (a) An asset of the organisation is physically damaged.
 - (b) An asset of the organisation is stolen by an employee
 - (c) A sales payment from one customer is misappropriated
 - (d) Financial statements are deliberately misstated
- (2 marks)
34. There are two main categories of fraud: misappropriation and fraudulent reporting.
- (a) True
 - (b) False
- (2 marks)
35. Who is responsible for implementing the internal control systems of an organisation?
- (a) The financial controller
 - (b) The internal auditor
 - (c) The external auditor
 - (d) The accountant
- (1 mark)
36. Jerry works for a call centre. Part of his responsibilities is to directly oversee the work of four phone operators. This is an example of:
- (a) Leadership
 - (b) Management
 - (c) Supervision
- (2 marks)
37. Larry has what F. Fiedler terms a “relationship motivation” style of leadership. What type of organisation should he work for?
- (a) A flat organisation
 - (b) A tall organisation
 - (c) A narrow organisation
 - (d) A short organisation
- (2 marks)
38. According to Mintzberg, the roles of figurehead, leader and liaison fall into which broad management category?
- (a) Interpersonal
 - (b) Informational
 - (c) Decision making
- (1 mark)
39. Members of a local soccer fan club are an example of a:
- (a) Team
 - (b) Group
 - (c) Squad
- (2 marks)
40. Terry has a very agreeable personality and gets along well with all of his colleagues. Which one of Belbin’s team roles would he most likely adopt?
- (a) Plant
 - (b) Completer finisher
 - (c) Coordinator
 - (d) Team worker
- (2 marks)

41. The order of the 5 stages in Tuckman's theory of team development is:

- (a) Forming, Storming, Norming, Performing and Adjourning
- (b) Forming, Norming, Storming, Performing and Adjourning
- (c) Forming, Norming, Storming, Adjourning and Performing
- (d) Forming, Storming, Norming, Adjourning and Performing

(2 marks)

42. According to Vroom's formula, Motivation = _____ X (Valence x Instrumentality).

- (a) Reward
- (b) Expectancy
- (c) Probability
- (d) Benefit

(1 mark)

43. John is an avid reader. The type of reward he receives from this pastime is:

- (a) Intrinsic reward
- (b) Extrinsic reward
- (c) Personal reward
- (d) Psychological reward

(2 marks)

44. Tests that attempt to measure factors such as an individual's introversion, stability and motivation are:

- (a) Intelligence tests
- (b) Personality tests
- (c) Competence tests
- (d) Psychometric tests

(2 marks)

45. Susan works for a multinational organisation that is headquartered in France. She has recently started evening classes to learn French. This is an example of:

- (a) Training
- (b) Development
- (c) Education

(2 marks)

46. Communication can be defined as the transmission of information between two or more people.

- (a) True
- (b) False

(1 mark)

47. The simple communication model consists of sender, _____, receive, feedback and noise.

- (a) Information
- (b) Data
- (c) Message
- (d) Communication

(2 marks)

48. The main disadvantage of the chain pattern of communication is that:

- (a) It is the slowest pattern of communication
- (b) It only allows each group member to communicate with the person adjoining him
- (c) It leads to loss or distorted content
- (d) It prevents the sender from receiving any feedback

(2 marks)

49. Which of the below represents the correct sequence of steps in the training and development process?

- (a) Identifying needs, setting objectives, programme design, delivery and validation
- (b) Identifying needs, programme design, setting objectives, delivery and validation
- (c) Identifying needs, setting objectives, programme design, validation and delivery
- (d) Identifying needs, programme design, setting objectives, validation and delivery

(2 marks)

50. David is conducting performance appraisals for all members of his department. He typically assigns higher ratings to the managers than he does to supervisors and other staff who report to him. This tendency is known as the:

- (a) Cluster effect
- (b) Halo effect
- (c) Job effect
- (d) Bias effect

(2 marks)